

GERMANY AGREES TO END LUSITANIA CONTROVERSY SATISFACTORILY TO U.S.

KAISER TO PAY INDEMNITY FOR AMERICANS LOST

Germany Gives Assurance That Submarine Commanders Operating in Mediterranean Will Not Torpedo Without Warning Non-Combatant Vessels—Safety for Passengers.

WASHINGTON, Jan. 7.—Count Von Bernstorff, the German ambassador, presented to Secretary Lansing today a proposal to pay indemnity for Americans lost in the Lusitania disaster, and thereby conclude that controversy, and gave assurances that any German submarines in the Mediterranean would not attack non-combatant ships of any character without warning, or destroy them without opportunity for non-combatants to reach a place of safety.

While offering to pay indemnity in the Lusitania case, Germany makes the reservation that it is done without admission of wrongdoing. No official indication was given as to the acceptability of the proposal, but one set of American officials took the view that it would end the controversy. The assurances regarding submarine warfare in the Mediterranean are of broader scope than those given after the Arabic disaster, and cover the warfare in the North sea. The latter guaranteed only the safety of liners. Those for the Mediterranean cover all non-combatant ships.

The following statement was later issued by Secretary Lansing:

German Statement

"The German ambassador today left at the state department under instructions from his government the following communication:

"1. German submarines in the Mediterranean had from the beginning orders to conduct cruiser warfare against enemy merchant vessels only in accordance with general principles of international law and in particular measures of reprisal, as applied in the war zone around the British Isles, were to be excluded.

"2. German submarines are therefore permitted to destroy enemy merchant vessels in the Mediterranean, i. e.: passenger as well as freight ships, as far as they do not try to escape or offer resistance—only after passengers and crew have been accorded safety.

"3. All cases of destruction of enemy merchant ships in the Mediterranean in which German submarines are concerned are made subject of official investigation and submitted to regular prize court proceedings. Insofar as American interests are concerned the German government will communicate the result to the United States, thus also in the Persia case if the circumstances should call for it.

Will Make Reparation

"4. If commanders of German submarines should not have obeyed the orders given to them, they will be punished; furthermore, the German government will make reparation for damage caused by death or injuries to American citizens."

Mr. Lansing made no announcement of the Lusitania proposals, saying the subject still was confidential.

The assurances regarding the conduct of submarine warfare in the Mediterranean convey the first information that German submarines were

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MOVE TO POSTPONE FREE SUGAR MADE

WASHINGTON, Jan. 7.—The first legislative step in the administration's plan to postpone placing sugar on the free list was taken today in the introduction of a joint resolution by Senator Broussard, democrat, of Louisiana, providing for the suspension of the tariff law provision which would admit sugar without duty May 1. The resolution went to the senate finance committee.

RUSSIAN DRIVE DIMINISHING ON EASTERN FRONT

Austrians Driven From Czartoryok and Advance Will Threaten Kovel—Teutons Still Threaten Saloniki, But Fail to Move—Turks Prepare to Regain Territory.

LONDON, Jan. 7.—According to official advices from Vienna, the fighting on the eastern front has decreased in violence, the Russians having ceased to attack with vigor between the Pripet and the Bessarabian frontier.

The only gain officially announced for the Russians yesterday was at Czartorysk, the scene of many sanguinary struggles, where it is said the Austrians were driven from the cemetery.

Any advance in this region will threaten Kovel, one of the strongest Austro-German positions. It is believed that even though no further gain should be made, Russia's forces have attained a position which will give the nation a degree of power in Balkan affairs it has not had since its armies were driven back from the Carpathians.

The Teutonic allies still threaten to expel the French and British from their Macedonian positions, but no forward move has been detected thus far in that direction. Strong Turkish forces are said to be concentrating on the Thracian frontier of Greece, and it is suggested that the Turks may attempt to make good some of the territorial losses they suffered during the Balkan wars.

The British public is still concerned chiefly with the domestic crisis. Notwithstanding the heavy majority of the compulsion bill on first reading in the house of commons, the press is speculating on the possibility of a break-up of the political truce with a general election as the final chapter of the controversy.

PROBE MUZZLE OF NAVY OFFICERS

WASHINGTON, Jan. 7.—Secretary Daniels' recent refusal to permit Rear Admiral Knight or Rear Admiral Fiske to speak in Chicago on the navy program, was made the basis today of a request by Representative Britton, republican, of Illinois, before the house naval committee, that action be taken to prevent an attempt on the part of the secretary to muzzle naval officers appearing before the committee, or to assign officers to distant posts beyond the practical reach of the committee.

Democratic members challenged the basis for the intimation and Mr. Britton replied that Admiral Fiske had been granted thirty days' leave on condition that he would not talk or write on preparedness.

VILLA GENERAL TORRES CAPTURED

EL PASO, Tex., Jan. 7.—General Nafarete at Tampico reported to the military commander at Juarez today that he had captured and was holding the Villa general, Carrera Torres. Reform regulations posted in Juarez today instituted a segregated district, confined saloons to the sale of beer and barred women from cafes. General Rosalio Fernandez, formerly a Villa chieftain, who accepted amnesty of the de facto Mexican government and joined forces with Generals Trevino and Herrera in the advance on Chihuahua City last month, has fled with a small force to the mountains of the San Rosalio district, according to General Herrera today. Carranza sources were reticent as to the cause of his defection.

PASSENGERS OF THESSALONIKI SAFELY LANDED

Abandoned Vessel Storm-Tossed Since December 21, When She Sprang Leak—Encountered Ninety-Mile Gale—Food Shortage Since Christmas.

NEW YORK, Jan. 7.—The 177 passengers who were forced to abandon the sinking Greek steamship Thessaloniki at sea arrived here today on the steamship Patris of the same line, and gave vivid descriptions of the hardships suffered during the time the Thessaloniki was battered by a series of terrific gales.

Christmas day, passengers said, the supply of meat on the Thessaloniki was entirely exhausted, only a few gallons of water were left and the ship's officers began to portion out short rations of the meager supply of food which remained.

Springs Leak December 21

The Thessaloniki first sprang a leak when she encountered a hurricane which raged for twelve hours on December 21. The boiler and engine rooms were partly flooded and the steamer sent out calls for assistance. After the hurricane subsided, however, the flooded portions of the ship were pumped out and she proceeded.

Rough seas and gales were encountered from December 22 to December 26, when the Thessaloniki ran into a ninety-mile hurricane which lasted twenty-four hours. Many of the passengers and crew feared the steamer was sinking, as fresh leaks opened, the boiler and engine rooms and coal bunkers rapidly filled with water and the ship was badly tossed about.

S. O. S. Calls Sent Out

The Thessaloniki's passengers were transferred to the Patris with considerable difficulty and were forced to leave all of their baggage and personal belongings on the disabled vessel.

The captain of the Thessaloniki repeatedly refused to send out wireless calls for aid at the request of both crew and passengers, according to passengers.

PAN-AMERICANS CONCLUDE SESSION

WASHINGTON, Jan. 7.—Except for the general meeting tomorrow, the second Pan-American Scientific congress completed its work today. Only two sections, those devoted to the study of mining and to public health, held sessions at which papers were read. Four others met to discuss general subjects.

After President Wilson's reception tonight at the white house the executive committee will formulate resolutions which will be presented at the general meeting tomorrow.

England's Man of Destiny



David Lloyd George, who is trying to straighten out the tangle in the British cabinet.

OHIO TROOPS TO BE SENT TO STOP STRIKER'S RIOTING

YOUNGSTOWN, O., Jan. 7.—Because of strike rioting last night and today at the plant of the Youngstown Sheet and Tube company in East Youngstown, Sheriff J. C. Umstead telegraphed to Governor Willis at Columbus, to inquire whether state troops were available in case they were needed to preserve order. The sheriff, however, expressed the belief that he would not need troops to control the situation.

Governor Willis replied that he had dispatched Brigadier General Speaks of Columbus and Lieutenant Colonel Waybrecht of Alliance to Youngstown and ordered them to have as many companies as possible of the Ohio National Guard ready for strike duty.

The situation at the plant of the Republic Iron and Steel company where 2500 men are on strike and 6000 idle as a result, remained unchanged today. Last night strikers threatened to attack the office buildings but were dispersed by the police.

CASH PAID ITALY TO REMAIN IN WAR

BERLIN, Jan. 7, by wireless.—"The Neue Zuercher Zeitung has received a report from reliable sources," says the Overseas News agency, "that the London treaty providing against the conclusion of a separate peace signed by Italy, contains a special clause under which Italy received 2,000,000 lire for giving her adherence to the agreement."

The news agency says it has special information that another clause in the treaty is directed against the vatican.

ENJOINS BLUE LAW UNTIL NOVEMBER IN MULTNOMAH

PORTLAND, Ore., Jan. 7.—A temporary injunction restraining the enforcement in Multnomah county of the Oregon blue law was continued by Judge C. U. Gantenbein in the state circuit court here today until the voters could decide at the elections next November whether the law should be abolished. The law prohibits transaction of business on Sunday by mercantile establishments, grocery stores, pool and billiard halls and places of amusement of all kinds except theaters.

In his decision continuing the injunction until the November elections, Judge Gantenbein said: "The law has remained dormant for sixty-two years and during that time the state has succeeded in struggling along fairly well. It seems to me that neither the morals nor health of the state will be affected if it lies dormant seven or eight months longer."

Judge Gantenbein stated that the law was originally passed in 1854, when Oregon was a territory, and with a few changes was ten years later made section 2125 of the penal code. No attempt was ever made to enforce it until about seven years ago when an effort was made to close the cigar stores in Portland. At that time Judge Gantenbein says that he held the law unconstitutional on the ground that it was a violation of the constitutional guarantee of religious freedom. No appeal was taken at that time, and every one appeared to acquiesce in the decision.

THE HAGUE, Netherlands, Jan. 7.—The ministry of marine announces that a British submarine which was flying signals of distress was encountered by the Dutch cruiser Noord Brabant outside Dutch territorial waters.

CABINET FAVORS PROMPT ACTION ON SUBMARINES

Lack of Information Delays Persia Case, But Cabinet Members Hold Time Has Come for Making Certain That No Further Attacks on Merchantmen Carrying Americans.

WASHINGTON, Jan. 7.—The status of the preparedness program, revenue plans, conservation and Mexican affairs, as well as the submarine crisis, furnished topics of discussion at today's session of the cabinet.

The senate resolution calling upon the president for information about Mexico was gone over thoroughly. The administration is willing to furnish the facts called for and many of them have already been assembled at the state department.

Although more than a week has passed since the steamship Persia was sunk in the Mediterranean with the loss of American life, officials today were still uninformed as to whether the vessel was torpedoed, and, if so, the nationality of the submarine. Developments today continued to indicate that the American government would withhold action pending official advices determining these points.

Austria Ignorant

Overnight developments included the receipt of dispatches from Ambassador Penfield at Vienna asserting that the Austrian government was without information concerning the incident up to the night of January 4, and from Consul Garrels at Alexandria, Egypt, stating that he had obtained affidavits from 21 survivors and that all confirmed previous statements that, "no warning was given and no vessel was seen."

Ambassador Penfield's dispatch added that Baron Burián, the Austrian foreign minister, has asked what information concerning the incident was in possession of the United States.

Officers and crew of the Persia, Consul Garrels reported, have left Alexandria for England. Their affidavits will be sought upon their arrival there.

Favor Drastic Action

Regardless of the outcome of the Persia case, however, the majority of the cabinet members are represented as believing that the time has come for making certain that no further attacks on merchant ships carrying Americans will be made.

The administration leaders are said to feel that continued loss of American lives will lead the United States into hostilities.

GENERAL ELECTION LAST RESORT OF BRITISH CABINET

LONDON, Jan. 7.—There seems little doubt that a general election will be the very last measure resorted to by the government to obtain the desired "general consent" to the establishment of attenuated form of compulsion provided for in the pending military service bill. That such general consent would be obtained by an appeal to the country is admitted by virtually everyone, but the belief is expressed in many quarters that it can be won without such an upheaval.

The Westminster Gazette emphasizes the fact that only forty-five members of the house of commons, representing constituencies in Great Britain, which alone is affected by the bill, opposed the measure. It thinks the minority can be convinced of the necessity of enacting the law and that the threat to national unity will be removed by free debate in the later stages of the bill's course through parliament.

ROCKEFELLER'S FATE NOW IN HANDS OF JURY

Three Months' Trial of New Haven Directors for Criminal Conspiracy Submitted to Jury—Court's Instructions Favorable to Defendants—Size Enterprise Not Considered.

NEW YORK, Jan. 7.—The case against William Rockefeller and ten other former directors of the New York, New Haven & Hartford railroad, charged with criminal conspiracy under the Sherman law, was submitted to the jury today after a trial lasting nearly three months.

The court held that the charge also could not be sustained unless the jury was satisfied that the defendants, or any of them, "intended to enter an illegal combination." Intent, he said, was psychological and not to be ascertained by fixed rule of law.

Rockefeller Absent

William Rockefeller was the only defendant not in court when Judge Hunt began his remarks. The charge against the defendants being a misdemeanor, his presence was not legally required.

The court, after describing the indictment, first instructed the jury that the case should be considered without regard to any testimony that would indicate "any attempts to influence legislation by bribery or corrupt means." The indictment contained no such charge, he said.

Discussing the Sherman act, he said that it did not prescribe a limit to acquisitions and that large enterprises may in a certain sense be permitted to monopolize commerce.

Charge to the Jury

Magnitude of business was not in itself a violation of a law. "The criminal act," he said, "is in conspiring to restrain freedom of action and unduly restricting or suppressing competition."

The first question for the jury to decide, he said, was whether "back in 1890 or thereabouts there existed a conspiracy to monopolize commerce. If the government does not satisfy you that a conspiracy existed at that time, then the whole case of the government fails."

Judge Hunt explained that the alleged conspiracy must have been a continuous one from 1890 into the three-year period covered by the statute of limitations.

SENATE DEBATES RESPONSIBILITY FOR SHIPPING TIE-UP

WASHINGTON, Jan. 7.—Responsibility, as between Great Britain and Germany, for the disturbance of neutral trade on the seas, was the subject of another spirited debate in the senate today during consideration of Senator Walsh's resolution to investigate the freight embargo at eastern ports.

When Senator Newlands was stating that the tying up of German ships was partly responsible, Senator O'Gorman inquired if he considered in that connection that 200 neutral vessels had been taken from commerce because of the British orders in council, rightly designated by the state department to be in violation of all international law.

"It is true that the trade has been deprived of 200 neutral vessels," declared Senator Nelson. "Many neutral ships may have been taken into port by Great Britain, but only for a temporary delay during search for contraband. What has taken freight ships off the ocean are the German submarines that have been blowing up freighters."

Senator O'Gorman insisted he had not said the 200 vessels had been held up continuously, but some so taken had been held for months.

ANAESTHETIC? BAH! MUSIC SOOTHES HIS PAIN AS MAN IS CUT UP ON OPERATING TABLE



Minneapolis Vocalist Spurns Cocaine and Ether and Goes Under Knife While Phonograph Plays "Tchaikowsky's 1812 Overture."

MINNEAPOLIS, Minn., Jan. 6.—The ether cop, skopolamine, chloro-

form, cocaine and such other anesthetics approved by science were cast aside for the soothing effects of music when Dr. Edmund Kraus, a prominent vocalist of Minneapolis, submitted to an operation in the chambers of Dr. Charles Benjamin Wright.

Today Dr. Kraus is proudly citing the incident as proof of his long-held belief that music, to the musician, is as good a pain killer and as soothing as cocaine is to the man without an artistic sense. "I absolutely felt no pain," Dr. Kraus remarked. "No pain, absolutely. It was all along just as if I were dreaming." "Dr. Wright said I must take Tchaikowsky's 1812 Overture." "And that is what I took."